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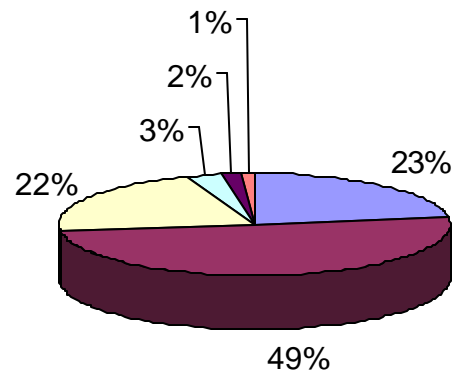
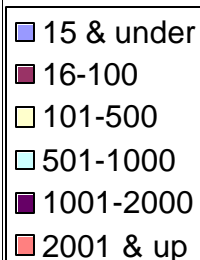
The State of Tennessee 5 Minute Manufacturing Survey

Manufacturing in Tennessee

The Tennessee Department of Economic & Community Development (ECD) is dedicated to helping Tennessee manufacturers become more productive, more competitive and more profitable. The department has used the Five Minute Manufacturing Survey for the past four years to measure Tennessee manufacturer satisfaction and discover new trends and issues facing the state's manufacturing sector. Survey results are used to shape statewide educational outreach, manufacturing services and departmental strategies. Deloitte & Touche is a proud co-sponsor of the survey.

What follows is a look at the compiled data from the survey results.

Number of Employees

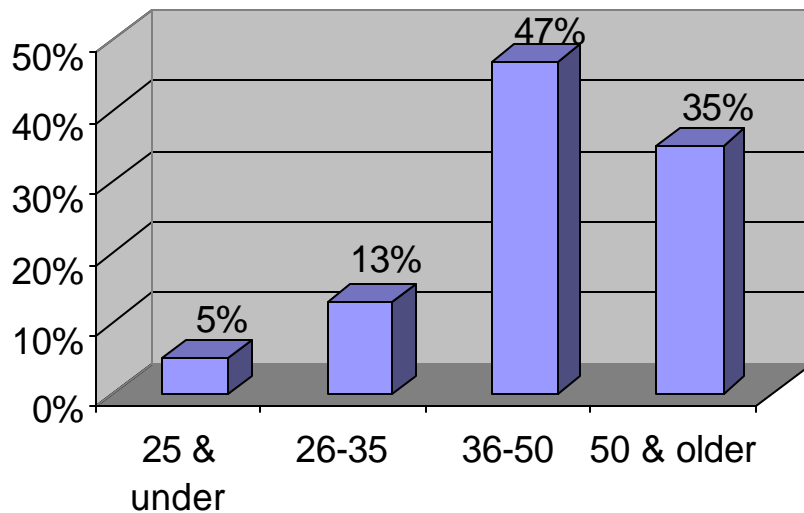


More than 360 manufacturers operating in Tennessee participated in the 2001 Five Minute Manufacturing Survey. The results captured the issues not only facing larger employers, but also those with as few as 15 employees. In fact, more than half of the respondents employ 100 or fewer employees. This trend is seen statewide as 86 percent of manufacturers in Tennessee employ 100 or less employees.

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Employee Age Distribution



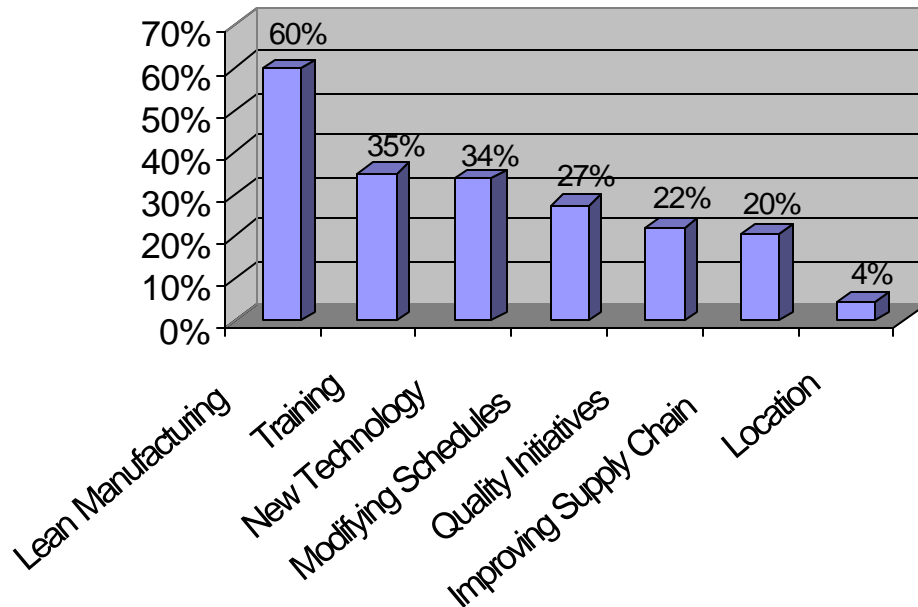
Thirty-three percent of respondents cited workforce recruitment as one of the biggest challenges facing their business. An older workforce may add to this challenge as 47 percent of employees are between the ages of 36-50 and 35 percent of workers are 50 and older.

In the near future, Tennessee's manufacturing sector may face the need for a new generation of workers. Tennessee's investments in education will be critical to the quality level of this future workforce and the future success of the manufacturing sector.

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Efforts to Improve Operational Efficiency



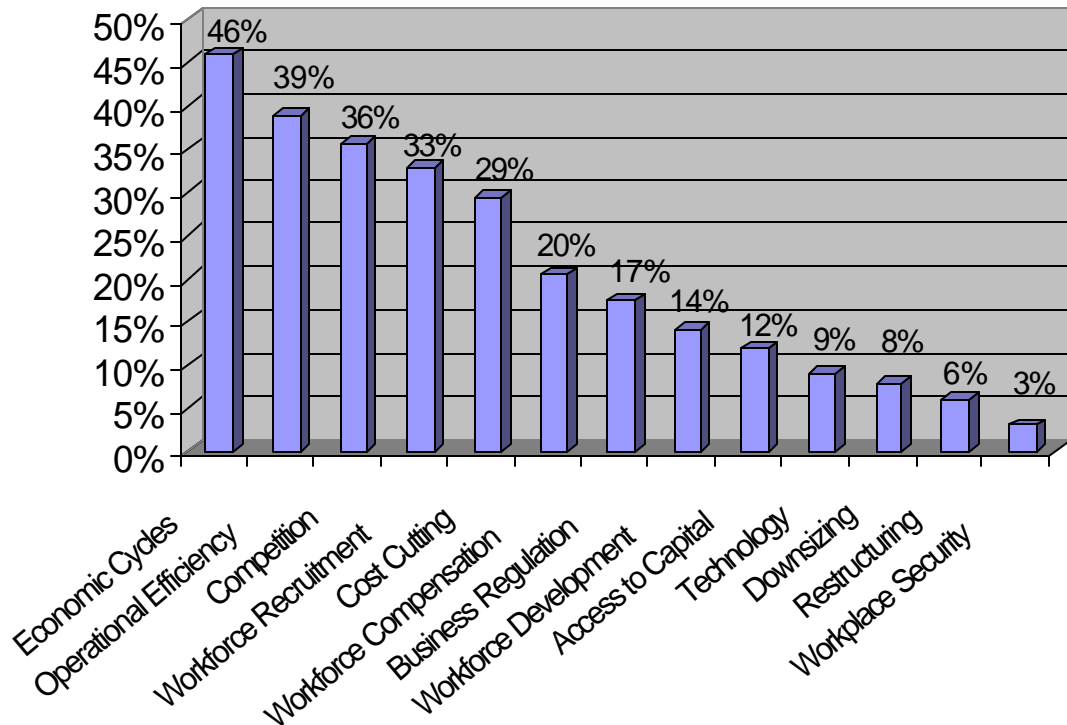
In line with national trends, Tennessee manufacturers are concerned about the economy, competition and operational efficiency. The majority of manufacturers are turning to lean manufacturing operations in an effort to improve efficiency.

Tennessee Manufacturing Means Jobs (MMJ) partners, like the University of Tennessee and Tennessee's technology centers and community colleges help manufacturers address many of these concerns. The MMJ partners provide workshops, seminars and in-plant training and technical assistance on lean manufacturing and quality initiatives.

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Top Challenges Facing Manufacturers



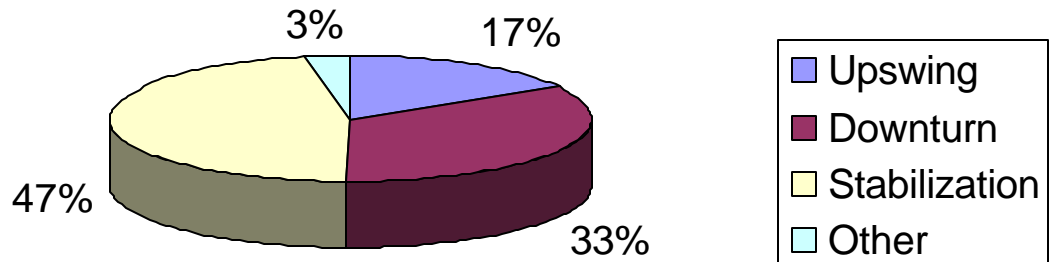
Challenges facing Tennessee manufacturers have changed in the last year. The 2000 Five Minute Manufacturing Survey indicated manufacturers were primarily concerned with human resource issues. In 2001, while human resource issues remain challenging, manufacturers cite economic cycles, operational efficiency and competition as top concerns.

To assist with these business challenges, the Existing Industry staff of the Tennessee Department of ECD is available to advise manufacturers and offer situational analyses to guide companies to resources and solutions.

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Manufacturing Demand Stabilizing



In today's changing economy, nearly half of the responding manufacturers indicated that customer demand has stabilized, with 17 percent indicating an upswing in demand.

Because of the diverse nature of Tennessee's manufacturing industry, the Five Minute Manufacturing Survey helps to create a clear picture of the state of manufacturing in Tennessee. The results are valuable in measuring the success of the industry, identifying challenges and ways to make them more productive, profitable and competitive.



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About the State of Tennessee Department of Economic and Community Development

With a central location, skilled workforce, outstanding transportation network and pro-business environment, Tennessee readily offers the tools for business success. Tennessee business support services for entrepreneurs, existing industries and new firms ensure the state is the right match for companies to grow and be profitable. For more information, please visit our website at www.soundsgood.org or call 877-SOUNDSGOOD.



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